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background notes

[North] Korea

United States Department of State
Bureau of Public Affairs

July 1989

Official Name:
Democratic People's Republic of Korea

PROFILE

Geography

Area: 121,730 sq. km. (47,000 sq. mi.); about the size of Mississippi. **Cities:** *Capital*—Pyongyang. *Other cities*—Chongjin, Wonsan, Nampo, and Kaesong. **Terrain:** Numerous ranges of moderately high and partially forested mountains and hills separated by deep, narrow valleys, and small cultivated plains. **Climate:** Temperate.

People

Nationality: *Noun and adjective*—Korean(s). **Population** (1988 est.): 21 million. **Annual growth rate:** 2.3%. **Ethnic groups:** Korean; approx. 50,000 Chinese; some 1,800 Japanese spouses of Korean returnees from Japan. **Religion:** Buddhism, Shamanism, Chongdogyo, Christian; religious activities have been virtually nonexistent since 1945. **Language:** Korean. **Education:** *Years compulsory*—11. *Attendance*—3 million (primary, 1.5 million, secondary, 1.2 million, tertiary, 0.3 million). *Literacy* (est.)—99%. **Health:** Medical treatment is free; 1 doctor for every 700 inhabitants; 1 hospital bed for every 350. *Infant mortality rate*—30/1,000. *Life expectancy*—65.5 yrs.

Government

Type: Communist state, one-leader rule. **Independence:** September 9, 1948. **Constitution:** 1972.

Branches: *Executive*—president (chief of state); premier (head of government). *Legislative*—Supreme People's Assembly. *Judicial*—Supreme Court, Provincial, city, county, and military courts (subordinate to Supreme People's Assembly).

Subdivisions: 9 provinces, 4 province-level municipalities—Pyongyang, Kaesong, Chongjin, Nampo.

Political parties: Korean Workers' (communist) Party. **Suffrage:** Universal at age 17.

Defense (1987 est.): Approx. 24% of GNP, with about 12% of men ages 17–49 in the regular armed forces.

Holidays: National Day, Independence Day, September 9; Kim Il Sung's birthday, April 15; other holidays.

Flag: Two blue horizontal stripes at the top and bottom; two white narrow stripes; and a wide center band on which appears a red star in a white circle.

Economy*

GNP (1986 est.): $17–$25 billion. **Per capita** (1986): $820–$1,200.

Agriculture (including forestry and fishing, 1982—25% of GNP): *Products*—rice, corn, potatoes, fruits, vegetables, tobacco.

Industry (including mining and manufacturing, 1982—70% of GNP): *Types*—steel, cement, textiles, petrochemicals, machines.

Trade (1986): *Exports*—$1.5 billion; machinery and equipment, military hardware, iron, steel, metal ores, nonferrous metals, nonmetallic minerals, textile fibers, chemicals, foodstuffs. *Imports*—$2.1 billion; machinery and equipment, petroleum, foodstuffs, coking coal. *Major partners*—U.S.S.R., P.R.C., Middle East, East European countries, Japan, F.R.G., France. (About 70% is with communist countries.)

Official exchange rate: 2 won = U.S.$1.

Membership in International Organizations

UN (official observer status); UN-related agencies, including the Food and Agriculture Organization (FAO); International Atomic Energy Agency (IAEA); International Civil Aviation Organization (ICAO); International Postal Union (IPU); UN Conference on Trade and Development (UNCTAD); International Telecommunications Union (ITU); UN Development Program (UNDP); UN Educational, Scientific and Cultural Organization (UNESCO); World Health Organization (WHO); World Intellectual Property Organization (WIPO); World Meteorological Organization (WMO); International Maritime Organization (IMO); International Committee of the Red Cross (ICRC); Nonaligned Movement.

*In most cases, the figures used here are estimates based upon incomplete data and projections.

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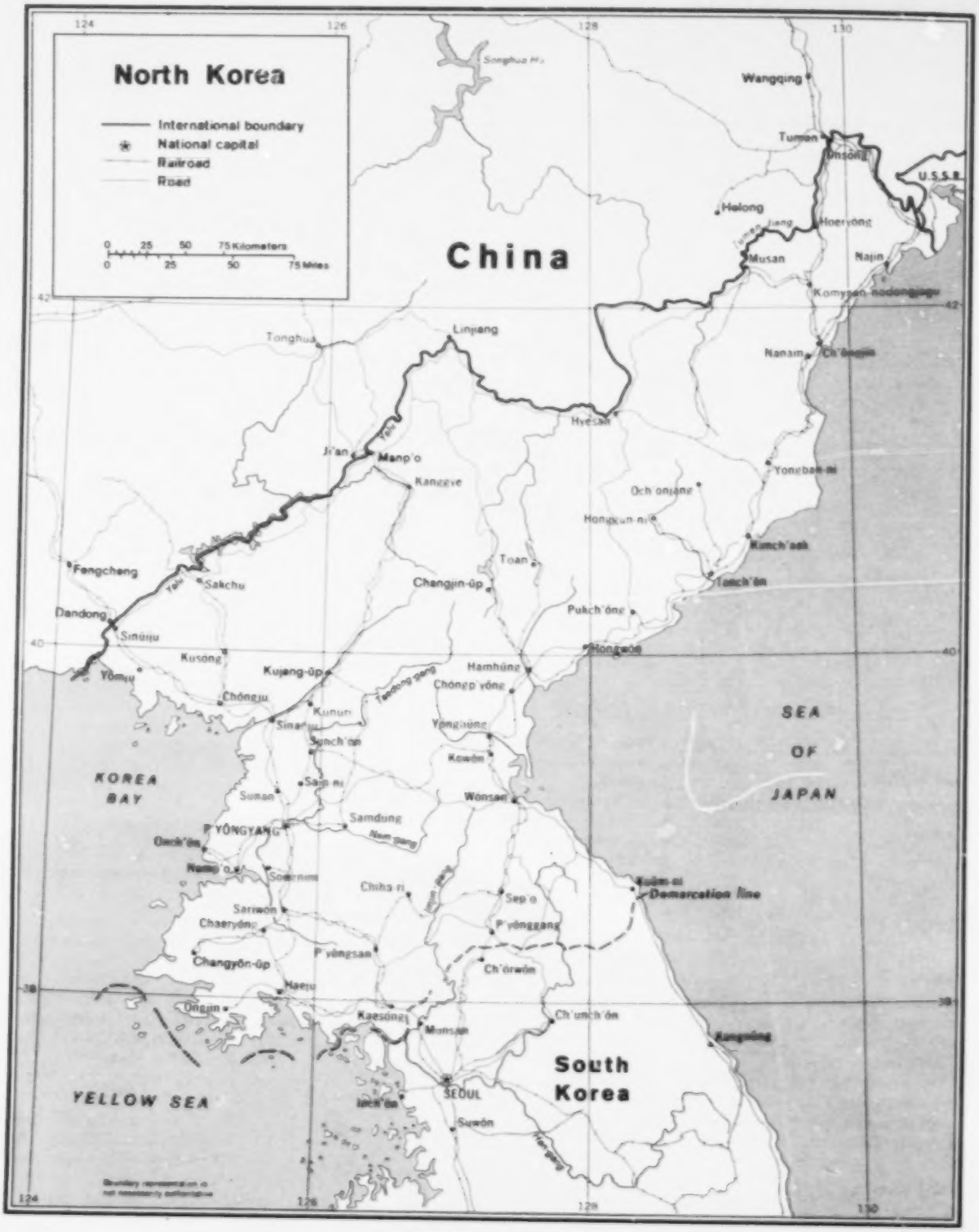
North Korea
International boundary
National capital
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China
South Korea
SEA OF JAPAN
KOREA BAY
YELLOW SEA
Demarcation line
PYÖNGYANG
SEOUL
Wangqing
Tumen
Onsŏng
U.S.S.R.
Helong
Hoeryŏng
Musan
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P'yŏnggang
Ch'orwŏn
Chihŭa-ri
Pyŏngsan
Toan
Changjin-ŭp
Pukch'ŏng
Hŭngnam
Kimch'aek
Tanch'ŏn
Ch'ŏngjin
Nanam
Komyŏn-nodongjagu
Yonghŭng-ni
Och'ŏnjang
Hongsŏn-ni
Boundary representation is not necessarily authoritative

GEOGRAPHY

The Democratic People's Republic of Korea (D.P.R.K., North Korea) occupies the northern portion of a mountainous peninsula about 966 kilometers (600 mi.) long and 217 kilometers (135 mi.) wide, projecting southeast from China, between the Sea of Japan and the Yellow Sea. Japan lies about 193 kilometers (120 mi.) east of the peninsula, across the Sea of Japan. North Korea shares borders with the People's Republic of China along the Yalu and Tumen Rivers—and, with the Soviet Union—along the Tumen River. The military demarcation line (MDL), marking the line of separation between the belligerent sides at the close of the Korean war, forms the boundary with the Republic of Korea (R.O.K., South Korea). A demilitarized zone (DMZ) extends for 2,009 meters (just over 1 mile) on either side of the MDL. Both the North and South Korean Governments hold that the MDL is only a temporary administrative line, not a permanent border.

North Korea's terrain consists of numerous ranges of moderately high and partially forested mountains and hills separated by deep, narrow valleys and small cultivated plains. The most rugged areas are the north and east coasts. Good harbors are found on the eastern coast. Pyongyang, the capital, near the country's west coast, is located on the Taedong River.

The climate is temperate. July and August are normally the warmest months, with temperatures averaging 30 °C (85 °F) at Pyongyang. January is the coldest; temperatures often drop below −20 °C (−4 °F). Rainfall is concentrated in the summer months, usually occurring in June and July. Snowfall is generally light, but the ground is covered for long periods.

PEOPLE

Korea was first populated by a Tungusic branch of the Ural-Altaic family, which migrated to the peninsula from the northwestern regions of Asia. Some of these peoples also populated parts of northeast China (Manchuria), and Koreans and Manchurians still show physical similarities. Koreans are racially and linguistically homogeneous. Although there are no indigenous minorities, there is a small Chinese community (about 50,000) and an estimated 1,800 Japanese wives who accompanied the approximately 93,000 Korean returnees from Japan around 1959–62.

Beginning in the mid-1920s, the Japanese colonial administration concentrated its industrial development efforts in the comparatively underpopulated and resource-rich north, resulting in a considerable movement of people northward from the agrarian southern provinces. This trend reversed after the end of World War II, when more than 2 million Koreans moved from the north to the south following the division of the peninsula into Soviet and American military zones of administration. This southward exodus continued after the establishment of the Republic of Korea (South Korea) in 1948 and during the Korean war (1950–53). Korea's population is now unevenly divided, with 42 million people in the geographically smaller south (38,000 sq. mi.) and 21 million in the north (47,000 sq. mi.).

Language

Korean is a Uralic language, remotely related to Japanese, Mongolian, Hungarian, and Finnish. Although there are dialects, the Korean spoken throughout the peninsula is mutually comprehensible. Chinese characters were used to write Korean before the invention of the Korean Hangul alphabet in the 15th century. Unlike in the south where these characters are still in limited use, the north uses Hangul exclusively. A number of specialized terms have been introduced in the north, especially in written usage, creating a distinctive vocabulary becoming increasingly difficult to understand in the south.

Religion

Korea's traditional religions are Buddhism, Shamanism, and Chongdogyo. Christian missionaries arrived in the 19th century and founded schools, hospitals, and other modern institutions throughout Korea. Major centers of missionary activity included Seoul and Pyongyang. Although religious groups nominally exist in North Korea, most available evidence suggests that the government severely restricts religious activity, allowing these groups to exist only for the sake of its international image.

HISTORY

According to legend, the god-king Tangun founded the Korean nation in 2333 B.C., after which his descendants reigned over a peaceful kingdom for more than a millennium. By the first century A.D., the Korean Peninsula, known as Chosun ("morning calm"), was divided into the kingdoms of Silla, Koguryo, and Paekche. In A.D. 668, the Silla kingdom unified the peninsula. The Koryo dynasty (from which is derived the Western name "Korea") succeeded the Silla kingdom in 918. The Yi dynasty, which supplanted Koryo in 1392, lasted until the Japanese annexed Korea in 1910.

Throughout most of its history, Korea has been invaded, influenced, and fought over by its larger neighbors. Korea was under Mongolian occupation from 1231 until the early 14th century and was devastated by a large number of Chinese rebel armies in 1359 and 1361; Hideyoshi launched major Japanese invasions in 1592 and 1597. To protect themselves from such frequent buffeting, the Yi kings finally adopted a closed-door policy, earning Korea the title of "Hermit Kingdom." Although the Yi dynasty paid nominal fealty to the Chinese throne, Korea was, in fact, independent until the late 19th century. At that time, Japanese, Chinese, and Russian competition in Northeast Asia led to armed conflict. Having defeated its two competitors, Japan established dominance in Korea. The Japanese colonial era was characterized by tight control by Tokyo and by ruthless efforts to replace the Korean language and culture with those of the colonial power. Japan formally annexed Korea in 1910.

At the April 1945 Yalta Conference, the United States and the Soviet Union agreed to establish a joint trusteeship for Korea. The trusteeship was intended as a temporary administrative measure, pending democratic elections of a Korean Government. To effect the Japanese surrender after the war the United States proposed—and the Soviet Union agreed—that Japanese forces surrender to U.S. forces south of the 38th parallel and to Soviet forces north of that line.

In the North, the Soviets initially transferred the administrative powers of the former Japanese colonial government to "people's committees," and later to a five-province administrative bureau, under the nationalist, Cho Man-Sik. Cho was later purged for opposing the decision of allied foreign ministers at the Moscow Conference for a 5-year trusteeship, during which a Korean provincial government would prepare for full independence. The joint Soviet-American commission provided for by the Moscow Conference met intermittently in Seoul but deadlocked over the issue of free consultations with representatives of all

Korean political groups for establishment of a national government. In September 1947, the United States submitted the Korean question to the UN General Assembly.

Korean Conflict

The Soviet Union and the Korean authorities in the North refused to comply with the UN General Assembly resolution of November 1947, which called for UN-supervised elections throughout Korea. Elections, nonetheless, were carried out under UN observation in the south, and on August 15, 1948, the Republic of Korea was established. A Korean nationalist leader, Syngman Rhee, became the Republic's first president. On September 9, 1948, the Soviet Union established the Democratic People's Republic of Korea in the north under Kim Il Sung, a former guerrilla who, after fighting against the Japanese in Manchuria during the 1930s, served with the Soviet Army in the Far East during World War II. Although Kim claimed authority over the entire peninsula, the UN General Assembly, on December 12, 1948, declared the Republic of Korea the only lawful government in Korea.

Sporadic guerrilla fighting between South and North Korea intensified during the spring of 1948. After the United States withdrew its military forces from Korea in the spring of 1949, border clashes commenced.

On June 25, 1950, North Korean forces invaded South Korea. In response, the United Nations, in accordance with the terms of its Charter, engaged in its first collective action, establishing the UN Command (UNC), to which 16 member nations sent troops and assistance. At the request of the UN Secretary General, the United States, which contributed the largest contingent, led this international effort.

UN forces initially fell back to the Pusan perimeter but, after a successful surprise landing at Inchon, rapidly advanced up the peninsula. As the main UN force approached the Yalu, large numbers of Chinese "people's volunteers" intervened, forcing UN troops to withdraw south of Seoul. The battle line fluctuated back and forth until the late spring of 1951, when a successful UNC offensive was halted to enhance cease-fire negotiation prospects. The battle line thereafter stabilized north of Seoul near the 38th parallel.

Armistice negotiations began in July 1951, but hostilities continued until July 27, 1953. On that date, at Panmunjom, the military commanders of the North Korean People's Army, the Chinese people's volunteers, and the UNC signed an armistice agreement. Neither the United States nor South Korea is a signatory of the armistice per se, although both adhere to it through the UNC. No comprehensive peace agreement has replaced the 1953 armistice pact, which remains in force. Thus a condition of belligerency still exists on the divided peninsula. A Military Armistice Commission composed of 10 members, five appointed by each side, supervises implementation of the armistice.

The armistice called for an international conference to find a political solution to the problem of Korea's division. This conference met at Geneva in April 1954 but, after 7 weeks of futile debate, ended without agreement or progress.

Reunification Policy

North Korea has pursued its goal of reunification by regular and irregular military measures, by terrorism, and by negotiations.

Military Measures. North Korea took no military action during the political turmoil in the South in the early 1960s, but subsequently perpetrated a number of violent acts directed both at U.S. and South Korean forces and South Korean Government officials. These efforts included the 1968 infiltration into Seoul by a 31-agent team, which attempted to assassinate President Park Chung Hee; the seizure 2 days later of the U.S.S. *Pueblo* in international waters and the subsequent imprisonment and torture of its crew; and the shooting down in 1969 of an unarmed U.S. EC–121 reconnaissance aircraft in international airspace. In 1976, North Korean troops, wielding axes wrested from an UNC work party, killed two U.S. Army officers in the DMZ.

In the early 1970s, as the North scaled back its sabotage and infiltration efforts against the South, it began a major long-term conventional military buildup. The extent of this buildup went undetected until the late 1970s. The disparity between the North and South Korean forces, which resulted from this military expansion, led the U.S. Government in mid-1979 to cancel further planned withdrawals of U.S. ground combat forces from South Korea.

The comparative military balance continues to favor the North. The North has more than 1 million armed personnel, compared to about 630,000 in the South. North Korean forces are well equipped and have a substantial advantage (approximately 2 or 3 to 1) in several key categories of offensive weapons—tanks, long-range artillery, and armored personnel carriers. The North has perhaps the world's second (after the Soviet Union) largest commando force (55,000) designed for insertion behind the lines in wartime. North Korea now has the fifth largest army in the world. It also has more than twice as many combat aircraft as the South, although South Korean-U.S. forces have a slight qualitative edge. North Korean exercises suggest an impressive sophistication in terms of joint and combined forces operations.

In addition to their size and capabilities, factors of time and distance compound the challenge posed by North Korean forces. The North (and the South) deploys the bulk of its forces well forward, along the DMZ. Over the last several years, North Korea has moved even more of its rear echelon troops to hardened bunkers closer to the DMZ. Given the proximity of Seoul to the DMZ (some 25 miles), South Korean and U.S. forces are likely to have little warning of any attack. Consequently, a high state of readiness is required at all times. The United States and R.O.K. continue to believe that the U.S. troop presence remains an important deterrent against North Korean aggression. Recent North Korean infiltration efforts include construction of several military tunnels under the DMZ. This tunneling effort continues.

Terrorism. North Korea also is believed to have dispatched the assassin who, while attempting to kill President Park in 1974, killed Mrs. Park. In October 1983, North Korean Army officers set off a bomb in Rangoon, Burma, killing 17 members of an official South Korean delegation and four Burmese. Although former President Chun Doo Hwan escaped harm, four South Korean cabinet ministers and several senior advisers were among those slain. Most recently, on November 29, 1987, two North Korean agents sabotaged a Korean airliner (KA-858) causing the death of all 115 persons on board.

Negotiating efforts. Throughout the postwar period, both Korean Governments have repeatedly affirmed their desire to reunify the Korean Peninsula, but until 1971 the two governments had no direct, official communications or other contact.

In August 1971, North and South Korea agreed to hold talks through their

respective Red Cross societies with the aim of reuniting the many Korean families separated following the division of Korea and the Korean war. Following a series of secret meetings, both sides announced, on July 4, 1972, an agreement to work toward peaceful reunification and an end to the hostile atmosphere prevailing on the peninsula. Officials exchanged visits, and regular communications were established through a North-South Coordinating Committee and the Red Cross; however, the two sides made no substantive progress. These initial contacts broke down and ended on August 13, 1973. The breakdown reflected basic differences in approach, with Pyongyang insisting on immediate steps toward reunification before discussing specific concrete issues and Seoul maintaining that, given the long history of mutual distrust, reunification must be a gradual, step-by-step process.

South Korea maintains that a meaningful dialogue should be based on *de facto* recognition of each other's existing political, social, and economic systems. South Korea supports the recognition of both Koreas by the major powers in the region (United States, U.S.S.R., P.R.C., and Japan) and the admission of both Koreas to the United Nations, pending peaceful reunification. North Korea rejects these ideas, although it applied for UN membership in 1949 (following the lead of the R.O.K.) and supported a Soviet Union draft in 1957, resubmitted in 1958, which called for "simultaneous UN admission." The North now argues that this proposal would perpetuate the peninsula's division.

Tension between North and South Korea increased dramatically in the aftermath of the October 9, 1983 Rangoon bombing. North-South sports talks the following spring broke down in acrimony over Rangoon; Pyongyang ultimately boycotted the Los Angeles Olympics in a show of support for the Soviet Union.

South Korea's suspicions of the North's motives were undiminished by Pyongyang's proposal for "tripartite" talks on the future of the Korean Peninsula. This initiative, made public on January 10, 1984, called for negotiations with the United States, in which "South Korean authorities" would be permitted to participate. The North's tripartite agenda would include replacing the armistice agreement with a peace treaty, providing for withdrawal of all U.S. troops, and drafting a declaration of nonaggression between North and South.

North Korea's offer to provide relief goods to victims of severe flooding in South Korea in September 1984, and South Korean acceptance, led to revived dialogue on several fronts—Red Cross talks to address the plight of separated families, economic and trade talks, and parliamentary talks. In January 1986, the North unilaterally suspended all talks, arguing the annual R.O.K./U.S. Team Spirit military exercise was inconsistent with dialogue. The North also announced a unilateral moratorium on large-scale military exercises and called upon the United States and R.O.K. to do the same, which responded by reiterating their longstanding offer to allow D.P.R.K. officials to observe Team Spirit and by proposing prenotification of military exercises. These proposals were rejected by the North, and, in 1987, the North resumed large-scale exercises.

In a major new initiative on July 7, 1988, South Korean President Roh Tae Woo called for new efforts to promote South-North exchanges, family reunification, inter-Korean trade, and contact in international forums. He also said South Korea was willing to cooperate with the North to promote relations with the United States and Japan and that the South would seek better relations with the U.S.S.R. and China. North Korea initially responded negatively, calling it a "splitist" proposal designed to legalize a two-Koreas policy.

President Roh's initiative provided renewed momentum to South-North dialogue. Later in July 1988, the National Assemblies of each side exchanged letters over the South's request to discuss participation in the 1988 Summer Olympics. (North Korea, which had demanded to cohost the games and had rejected Seoul's offer to host five events, declined to participate and asked fellow socialist countries to join a boycott. Only seven obliged.) Small parliamentary delegations met at Panmunjom several times from August to December in an inconclusive attempt to arrange a joint meeting of the two assemblies, to which each had agreed in principle. The North insisted the assemblies adopt a mutual nonaggression declaration; the South argued that this was properly the role of the executive branch. At year's end, when the two sides were nearing agreement on an agenda and arrangements for a joint session, the North introduced a new demand to discuss the annual U.S.-R.O.K. Team Spirit military exercise. In early February 1989, North Korea refused to attend further preparatory meetings until Team Spirit ended.

The Roh and Chun administrations have repeatedly suggested a summit meeting with President Kim to discuss any and all proposals, an agreement to normalize inter-Korean relations as a step toward reunification, and other specific measures to reduce tensions and promote humanitarian and cultural exchanges. President Roh, in a speech to the UN General Assembly in October 1988, offered to go to Pyongyang at any time to discuss any issue, including North Korea's call for a mutual declaration of nonaggression. In turn, Kim Il Sung has periodically reiterated proposals for a North-South confederation, first proposed in 1960. In his September 9, 1988 National Day address, Kim Il Sung repeated that a summit must first take up the confederation plan and withdrawal of U.S. forces. In his 1989 New Year's address, Kim suggested that Roh come to Pyongyang as a party head in a group with southern opposition and dissident leaders.

In early 1989, as other dialogue proposals made little progress, both sides expressed hopes for high-level talks headed by the respective prime ministers. Two preliminary meetings to discuss arrangements were held in February. In other forums, the two National Olympic Committees met to discuss forming a joint team for the 1990 Asian Games in Beijing. But in April, North Korea suspended both sets of talks, blaming South Korea's arrest of a dissident clergyman who visited North Korea without government approval.

Following the R.O.K. Government's 1988 decision to allow trade with the D.P.R.K., South Korean firms have begun to import North Korean goods, all via third-country contracts. The D.P.R.K. has denounced and denied this trade. By contrast, the North publicized a late January 1989 visit by Hyundai founder Chong Chu Yong as well as the protocol he signed to develop tourism and other projects in the North. In April 1989, these projects were put on hold amidst the acrimony following the dissident clergyman's visit.

GOVERNMENT

North Korea has a centralized government under the rigid control of the Korean Worker's (communist) Party (KWP). It is dominated by one man, Kim Il Sung, who, in addition to his titles of general secretary of the KWP and president of North Korea, is generally referred to as "Great Leader." A few minor parties are allowed to exist in name only, presumably to present a facade of representative government to the outside world.

In December 1972, the Fifth Supreme People's Assembly (SPA) ratified a new constitution replacing that of 1948. The 1972 document created the position of president and a super-cabinet called the Central People's Committee (CPC). In theory, the SPA is the highest organ of state power. Its members are elected every 4 years. Usually only two meetings are held annually, each lasting a few days. A standing committee of 19 members elected by the SPA performs legislative functions when the assembly is not in session. In reality, the assembly serves only to ratify decisions made by the ruling KWP. The constitution designates the Central People's Committee (CPC) as the government's top policy-making body. Headed by Kim Il Sung, who also nominates the other 24 committee members, the CPC makes policy decisions and supervises the cabinet (State Administration Council). The council is headed by a premier and is the dominant administrative and executive agency. The judiciary is subordinate to the Supreme People's Assembly. The SPA's Standing Committee appoints judges to the highest court for 4-year terms concurrent with that of the assembly.

Politically, North Korea is divided into nine provinces and four provincial-level municipalities—Pyongyang, Chongjin, Nampo, and Kaesong. It also appears to be divided into nine military districts.

Little is known about the actual lines of power and authority in the North Korean Government despite the formal structure set forth in the constitution. It is clear, however, that 77-year-old Kim Il Sung, who has ruled North Korea continuously since 1948, wields dictatorial power. Kim and a dwindling number of long-time loyalists, all ranking members of the Korean Workers' Party, dominate the political system and the economy through an elaborate party structure and through the civilian and military bureaucracies. At the innermost circle are the three members of the Standing Committee of the KWP Political Bureau: Kim Il Sung, his son Kim Chong Il, and Armed Forces Minister O Chin U. Kim Il Sung is the object of an intensive and far reaching personality cult. A similar cult is developing around Kim Chong Il, 47, who has been groomed to succeed his father. Many observers now credit the younger Kim with day-to-day management of domestic affairs. Should this father-to-son transition succeed, North Korea would become the first country ruled by a Marxist hereditary dynasty.

Principal Party and Government Officials

President, KWP Politburo Standing Committee (1 of 3), KWP General Secretary, Supreme Commander of the People's Armed Forces—Kim Il Sung
KWP Politburo Standing Committee, KWP Secretary (1 of 10), son of Kim Il Sung and de facto heir apparent—Kim Chong Il
KWP Politburo Standing Committee, Minister of the People's Armed Forces—O Chin U
Premier, Politburo Full Member (1 of 12)—Yun Hyong Mok
Vice President (1 of 3), Politburo—Pak Song-ch'ol
Vice President, Politburo—Yi Chong-ok
Politburo, Chairman KWP Inspection Comm—So Ch'ol
Politburo, KWP Secretary—Kye Ung-t'ae
Vice Premier, Foreign Minister, Politburo—Kim Yong-nam
KWP Politburo, KWP Secretary, Chairman of Comm. for Peaceful Reunification of the Fatherland—Ho Tam
Politburo, KWP Secretary—Chon Pyong-ho
Chairman, Supreme People's Assembly Standing Committee—Yang Hyong-sop

ECONOMY

The division of the Korean Peninsula in 1945 resulted in imbalances of natural and human resources, with disadvantages for both the North and the South. By most economic measures, after partition the North was left better off in terms of industry and natural resources. The South, however, had two-thirds of the work force. In 1945, about 65% of Korean heavy industry was in the North but only 31% of light industry, 37% of agriculture, and 18% of the peninsula's total commerce.

North and South both suffered from the massive destruction caused by the Korean war. Since that time, North Korea's command economy has concentrated its labor force (estimated at 8.4 million in 1986) and natural resources in an effort to achieve rapid economic development. Large amounts of aid from other communist countries, notably the Soviet Union and China, assisted the regime. In the years immediately after the end of the Korean war the North's economy experienced a high growth rate.

During the early 1970s, North Korea, probably noting the more rapid economic development of the South, attempted a large-scale modernization program through the importation of Western technology, principally in the heavy industrial sectors of the economy. By the end of 1986, the North's hard-currency debt had reached more than $4 billion. It also owed nearly $2 billion to communist creditors. Unable to finance its debt through exports, it became the first communist country to default on its loans from free market countries. In 1979, North Korea was able to renegotiate much of its international debt, but in 1980 it defaulted on all of its loans except those from Japan. In 1986, however, the Japanese also declared the North in default of more than $200 million.

Largely because of these debt problems but also because of a prolonged drought and governmental mismanagement, North Korea's industrial growth slowed in 1976. In that same year, for the first time, the North's per capita GNP fell below that of the South, and by the end of 1979, per capita GNP in the North was about one-third of that in the South. The causes for this relatively poor performance are complex, but a major factor is the disproportionately large percentage of GNP (more than 20%) that the North devotes to the military.

In April 1982, Kim Il Sung announced a new economic policy giving priority to increased agricultural production through land reclamation, development of the country's infrastructure—especially power plants and transportation facilities—and reliance on domestically produced equipment. Recently, there have been signs of a shift in policy emphasis toward expanding trade. In September 1984, North Korea promulgated a joint venture law to attract foreign capital and technology. Currently, North Korea's default on its foreign debt is largely responsible for scant foreign interest in joint ventures. The new verbal emphasis on expanding trade and acquiring technology, however, has not shifted internal economic priorities away from support of military industry.

FOREIGN RELATIONS

After 1945, the Soviet Union supplied the economic and military aid that enabled North Korea to mount its invasion of the South in 1950. Soviet aid and influence continued at a high level during the war; the Soviet Union was, in large part, responsible for rebuilding North Korea's economy after the cessation of

hostilities. However, the assistance of Chinese "volunteers" during the war and the presence of these troops until 1958 gave Beijing considerable influence in Pyongyang. In 1961, North Korea concluded formal mutual security treaties with the Soviet Union and China, which continue in force.

The establishment of diplomatic relations between the United States and China, the Soviet-backed Vietnamese occupation of Cambodia, and the Soviet occupation of Afghanistan created strains in North Korea's relations with each of the two major communist powers. Pyongyang generally has tried to maintain an equidistant position between Moscow and Beijing, obtaining aid from both and avoiding dependence on either. Since Kim Il Sung's 1984 and 1986 visits to Moscow, Pyongyang has markedly strengthened its ties with Moscow. Over the last 4 years, the Soviets have dramatically increased assistance, providing a comprehensive array of advanced military hardware to North Korea. In return, the North allows Soviet overflights and port calls, as well as adhering more closely to the Soviet line on important international issues. Still, Pyongyang and Beijing continue frequent leadership consultations.

Despite reliance on Soviet military and Chinese economic aid and its recent parroting of Soviet positions, North Korea proclaims a militantly independent stance in its foreign policy in accordance with President Kim's continued emphasis on the doctrine of self-reliance ("Juche"). Pyongyang seeks to enlarge its representation abroad wherever possible and has had some success. However, following the October 1983 assassination attempt on the South Korean President in Rangoon, Burma broke relations with North Korea, and several other countries followed suit. Similarly, after KA–858, two other governments broke ties with the D.P.R.K., and several more took other diplomatic measures against the North. Moreover, various incidents, mostly smuggling and blackmarketing offenses by North Korean diplomats, have caused some countries to be reluctant to open relations with North Korea and others to expel or decline to admit North Korean missions. North Korea has increasingly emphasized its relations with Third World nations and aspires to a leadership role in the Nonaligned Movement. As of May 1989, North Korea had diplomatic relations with 103 countries, South Korea with 131, and 72 nations had diplomatic relations with both Koreas.

Further Information

These titles are provided as a general indication of the material published on this country. The Department of State does not endorse unofficial publications.

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U.S. POLICY TOWARD NORTH KOREA

The U.S. Government supports the peaceful reunification of Korea on terms acceptable to the Korean people. Recognizing that the North's isolation is an inherently destabilizing factor in the Northeast Asia region, and an impediment to the peaceful reunification of Korea, the United States is committed to drawing the D.P.R.K. out of its isolation and bringing it more fully into the world community.

To advance this goal and in support of President Roh's 1988 reunification initiatives, the U.S. Government on October 31, 1988, announced the following steps regarding relations with the D.P.R.K.

- Authorize U.S. diplomats to hold substantive discussions with D.P.R.K. officials in neutral settings;
- Encourage unofficial, nongovernmental visits from the D.P.R.K. in academics, sports, culture, and other areas;

• Facilitate the travel of U.S. citizens to the D.P.R.K. by permitting travel services for exchanges and group travel on a case-by-case basis; and

• Permit certain commercial exports to the D.P.R.K. of goods that meet basic human needs (food, clothing, medical supplies, etc.) on a case-by-case basis.

The United States recognizes that the future of the Korean Peninsula is primarily a matter for the people of Korea to decide. The U.S. Government, therefore, believes that a constructive and serious dialogue between the authorities of South and North Korea is necessary to resolve the issues on the peninsula, and that concrete steps to promote greater understanding and reduce tension are needed to pave the way for reunifying the Korean nation. Because the fundamental decisions must be taken by the Korean people themselves, the United States refuses to be drawn into separate negotiations with North Korea, as Pyongyang insists, on replacing the 1953 armistice agreement with a peace treaty. The U.S. Government remains prepared to participate in negotiations between the representatives of North and South Korea, if so desired by the two Korean Governments and provided that both are full and equal participants in any such talks.

The United States does not recognize the Government of North Korea and maintains no diplomatic, consular, or trade relations with authorities there. North Korea has been included on the U.S. list of states supporting international terrorism since January 1988, when investigations revealed that agents of North Korea had sabotaged KA–858 on November 29, 1987, causing the deaths of 115 persons. U.S. law prohibits almost all financial and commercial transactions with North Korea by persons or firms subject to U.S. jurisdiction. Exceptions were made in 1988 for informational material and commercial export of goods meeting basic human needs. Export of such goods, whether as a sale or donation, requires a specific license by the U.S. Treasury Department.

There are no restrictions on travel by private U.S. citizens to North Korea. However, they may only spend money in North Korea to purchase items related to travel, and may not use credit cards. In addition, $100 worth of merchandise for personal use may be brought back into the United States as unaccompanied baggage. The U.S. Government is unable to accord consular protection services to U.S. citizens in North Korea. U.S. citizens and residents wishing to travel to North Korea must obtain visas in third countries. ■

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